

## Crude Oil



Crude inventories rose by 4.8 million barrels this week. This was almost 5 times the 5-year average gain of 1.0 million and more than 3 times the expected increase of 1.35 million. Increases in domestic production and imports, and a sharp decline in crude flowing to refineries lead to the largest weekly gain since October. Inventories have improved to 4.1% above last year and they are 6.6% above the 5-year average. Inventories are at their highest level for this date since 1990.

Prices fell for the week with the restored Alaskan pipeline, poor economic news, rising inventories, and rumors of OPEC production increases. Futures prices were \$1.50 lower, settling at \$93.15. This was \$15.63 (20.2%) higher than a year ago. The spot price settled at \$86.12, \$11.46 (15.3%) higher than last year but \$4.71 lower than the week before. Futures and spot prices are 36% and 41% below their 2008 peak prices.

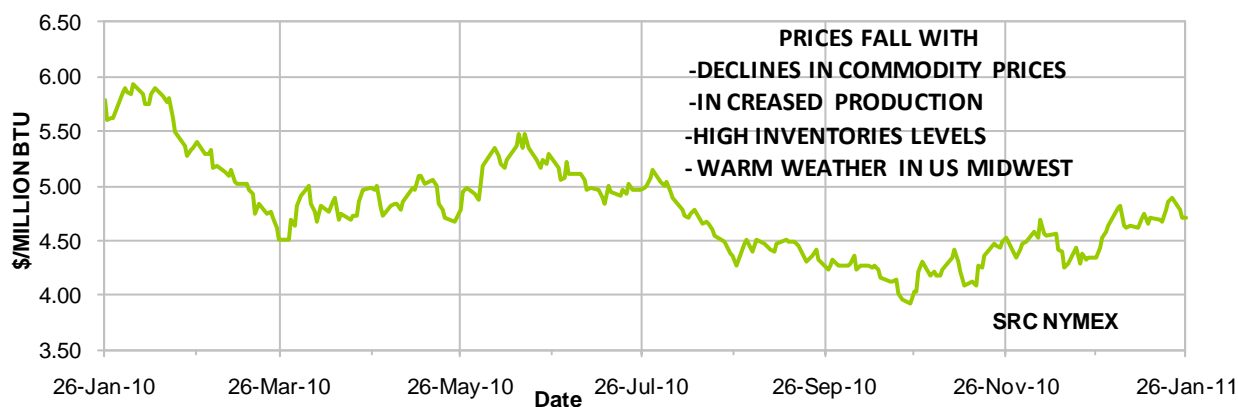


## Natural gas



Inventories fell this week by 174 BCF. The inventory decline was slightly more than the expected decline of 171 BCF and far larger than the 5-year average decline of 152 BCF. At 2,542 BCF, this week's inventory level is the second highest ever for the time period. It trails 2007's record high of 2,704 by 6.0%. It is 0.3% above last year and 1.2% above the 5-year average.

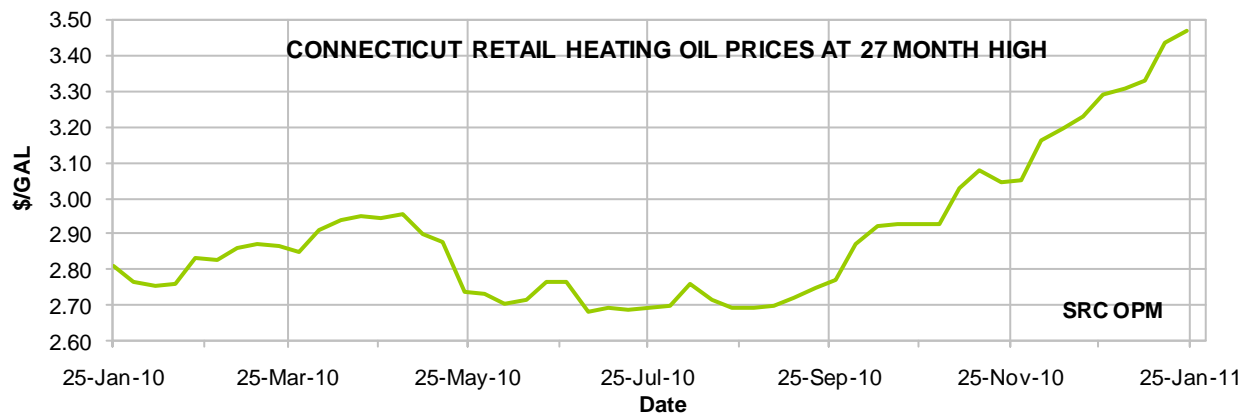
Warmer weather in the gas intensive Midwest and near record high inventories so deep into the heating season pushed futures prices down by 7.1 cents this past week. At \$4.706 per million BTU, prices are \$1.079 (18.6%) lower than a year ago and 64.7% below the 2008 peak. Futures prices had risen by 40.8 cents over the previous 4 weeks. After falling by 7.0 the week before, spot prices were 8.0 cents lower this week, settling at \$4.400 per million BTU. They are \$1.210 (21.6%) lower than a year ago and 66.9% below their 2008 peak. Spot prices had risen by 54.0 cents over the previous three weeks.





Distillate stocks fell by only 0.14 million barrels this week, lower than an expected decline of 0.5 million gain and slightly smaller than the five-year average decline of 0.15 million. Stocks are 5.2% above last year and they are the highest for this date since 1983, 17.0% above the five-year average.

Futures prices and spot prices have risen by over 40 cents over the past 2 months from higher crude prices and colder weather. Futures prices settled at \$2.692/gal, 66.3 cents (32.7%) above last year but \$1.503 (35.8%) below 2008's peak. Spot prices are at \$2.674/gal, 73.6 cents (38.0%) above last year but \$1.406 (34.5%) below the 2008 peak. Retail prices rose by 3.4 cents this past week. They are now at \$3.470/gal, 66.1 cents (23.5%) above a year ago but \$1.296 (27.2%) below their 2008 peak. Prices have risen by 42.7 cents over the past 9 weeks. The highest price in this week's survey was \$4.040 and the lowest was \$3.050. Prices are at their highest level since October of 2008. According to census data, 49.1% of dwelling units in Connecticut heat with oil.



## Connecticut Regional Heating Oil Prices

	FAIRFIELD			HARTFORD			NEW LONDON		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
25-Jan-10	2.967	3.399	2.440	2.754	2.999	2.499	2.801	3.259	2.559
10-Jan-11	3.466	3.999	3.100	3.360	3.690	3.149	3.251	3.400	3.050
17-Jan-11	3.562	3.999	3.240	3.470	3.890	3.199	3.363	3.500	3.140
24-Jan-11	3.598	4.040	3.240	3.505	3.890	3.289	3.370	3.500	3.160
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
25-Jan-10	2.763	2.929	2.699	2.855	2.999	2.590	2.738	2.899	2.600
10-Jan-11	3.357	3.499	3.279	3.322	3.549	3.140	3.263	3.359	3.160
17-Jan-11	3.455	3.599	3.369	3.441	3.649	3.240	3.393	3.459	3.330
24-Jan-11	3.497	3.679	3.399	3.481	3.699	3.240	3.426	3.499	3.320
	NEW HAVEN								
	AVG	HIGH	LOW						
25-Jan-10	2.761	3.099	2.479						
10-Jan-11	3.242	3.499	3.000						
17-Jan-11	3.344	3.599	3.050						
24-Jan-11	3.381	3.599	3.050						

OPM conducts a weekly survey of retail heating oil prices in Connecticut. These figures reference the most recent results of that survey for the reporting week beginning January 24, 2011. Figures reflect per gallon prices without discount.

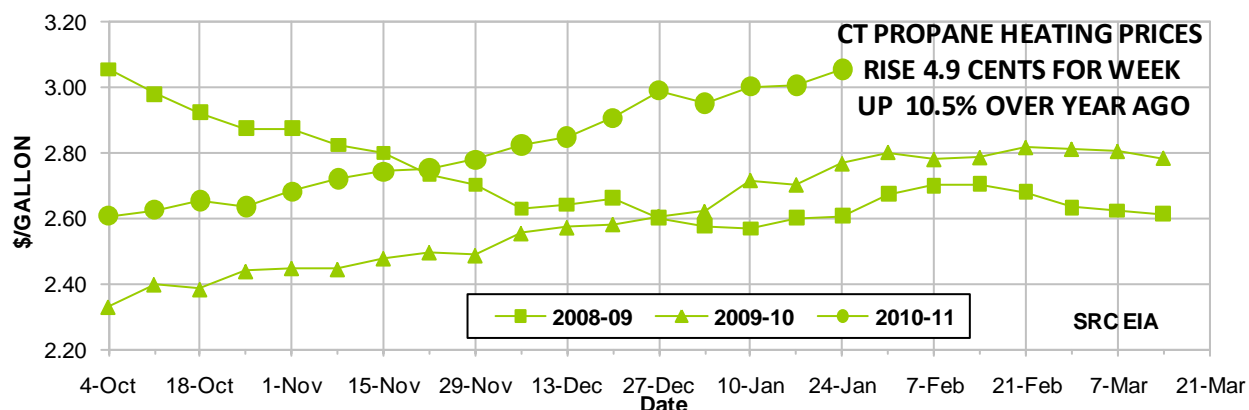
For more information, see [www.ct.gov/OPM](http://www.ct.gov/OPM) > Energy Management > Energy Price and Supply Information

# Propane



After falling by 5.4 million barrels last week, propane inventories fell by another 3.3 million this week. This week's decline compares to a 5-year average decline for the week of 3.1 million barrels. Because of a large inventory draw last year, current storage levels have improved to 11.7% above last year but have worsened to 10.9% below the 5-year average.

Spot propane prices fell 0.9 cents this past week as they followed crude downward. At \$1.349 per gallon Wednesday, spot prices were only 6.5 cents (5.0%) higher than a year ago and 31.8% lower than their peak 2008 price. Reflecting previous increases in crude oil prices, supply issues, and colder than normal temperatures, the average Connecticut retail price for home heating rose by 4.9 cents this week. At \$3.057/gal, it is 29.0 cents (10.5%) higher than a year ago. According to census data, propane is used to heat 2.7% of homes in Connecticut.



# Gasoline



Gasoline inventories rose by 2.4 million barrels this week, slightly less than the expected 2.5 million and 24% less than 5-year average gain of 3.1 million barrels. Even though production and imports both fell, demand also fell as winter storms continue to limit driving. Inventories levels are 0.4% above last year. Although they have worsened to only 3.8% above the 5-year average, inventories are at their highest level for this date since 1994.

Futures and spot prices fell by 1.6 and 3.9 cents/gal this past week. At \$2.509/gal, futures prices are 48.6 cents (24.0%) higher than last year. They are \$1.102 (30.5%) below their 2008 peak. Spot prices were at \$2.444/gal. This is 47.7 cents (24.2%) higher than a year ago. Spot prices are 28.4% (\$0.968) below their 2008 peak. Connecticut retail prices rose by 1.2 cents this week and by 34.6 cents over the past 12 weeks. At \$3.333, prices are 44.9 cents (15.6%) higher than a year ago but 24.1% (\$1.057) below 2008's peak.

